

U.S. BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO

CLERK OF COURT'S  
FISCAL YEAR 2015  
ANNUAL REPORT



KENNETH J. HIRZ, CLERK

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO**

Judge Pat E. Morgenstern-Clarren, Chief Judge  
Judge Russ Kendig  
Judge Mary Ann Whipple  
Judge Arthur I. Harris  
Judge Kay Woods  
Judge Jessica E. Price Smith  
Judge John P. Gustafson  
Judge Alan M. Koschik

## TABLE OF CONTENTS

Introduction.. . . . .	1
Information Technology. . . . .	3
Human Resources. . . . .	5
Table of Organization . . . . .	7
Statistical Analysis. . . . .	8
Case Filings Charts. . . . .	10
Case Closings Charts.. . . . .	14
Pending Cases Charts. . . . .	16
Unclaimed Funds. . . . .	18
Receipts. . . . .	19
Operating Expenses.. . . . .	20

# UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF OHIO FISCAL YEAR 2015 ANNUAL REPORT

## Introduction

The United States Bankruptcy Court for the Northern District of Ohio serves close to six million citizens in the northern 40 counties of the State of Ohio, with court locations in Akron, Canton, Cleveland, Toledo, and Youngstown. In FY2015, there were 19,855 bankruptcy cases filed in the district, a 10% decrease compared to the prior year. This follows decreases in filings in the previous two years: 9% in FY2014 and 10% in FY2013. Case filing figures (compiled by the Administrative Office of the U.S. Courts, for the fiscal year) depict the Northern District of Ohio as the 8th largest of 94 bankruptcy courts nationally.

The judges serving during this fiscal year are listed with the city in which they served: Honorable Pat E. Morgenstern-Clarren, Chief Judge (Cleveland); Honorable Russ Kendig (Canton); Honorable Mary Ann Whipple (Toledo); Honorable Arthur I. Harris (Cleveland); Honorable Kay Woods (Youngstown); Honorable Jessica E. Price Smith (Cleveland); Honorable John P. Gustafson (Toledo); and Honorable Alan M. Koschik (Akron).

Judge Pat E. Morgenstern-Clarren assumed duties as chief judge on January 3, 2012. Judge Russ Kendig will begin his term as chief judge on January 4, 2016. Judge Arthur I. Harris was appointed to a four-year term to the Sixth Circuit Bankruptcy Appellate Panel on January 1, 2009, which was extended through 2014. He is also serving as a member of the Judicial Conference of the United States Advisory Committee on Bankruptcy Rules.

At the close of the fiscal year, the clerk's office had a staff of 57 in five court locations. A table of organization follows. The clerk's office reduced its staffing from 100 deputies in response to limited resources and increased efficiencies. In FY2015, the clerk's office operated on a budget of \$5.58 million and collected receipts of more than \$7.8 million. Of these, nearly \$7.5 million were court fees and charges, which are deposited to the U.S. Treasury and inure to the benefit of the entire judiciary.

Receipts of \$377,065 were unclaimed funds deposited with the court. These are funds pending resolution of litigation or remaining after trustees' distribution of estates. During the fiscal year, the court distributed unclaimed funds of \$860,347 to claimants, including monies deposited to the court in prior years. Unclaimed funds are searchable on the court website, at [www.ohnb.uscourts.gov](http://www.ohnb.uscourts.gov).

The court website includes additional information on case filing statistics, general orders, local rules, administrative orders, and judges' opinions.

Bankruptcy petitions and pleadings have been filed with the court electronically since 2002, through the Case Management/Electronic Case Filing system (CM/ECF). The CM/ECF server maintains case data from 1990, including more than 22,366 open cases and 760,412 closed cases. The court's CM/ECF server maintains more than 43 million documents, of which

578,395 were filed during this fiscal year. Of all documents filed in FY 2015, court staff entered 15%, attorneys or trustees entered 49.6%, and 5.4% were entered by other parties (such as creditors, claim agents, and other professionals). The remaining 30% were automatic filings and other administrative processing.

In FY2015, there were 12,165 registered users of CM/ECF. Attorneys comprised 66.2% of registered users, and the remaining 33.8% were creditors. Pro se filers accounted for 6% of all cases filed in FY2015.

During the fiscal year, 69,669 claims were filed with the court. All claims were filed electronically.

In the following pages, you will be introduced to further details about our Information Technology and Human Resources activities. Additional information includes data on case filing, closing, adversary and pending caseload data, followed by a report on revenue and operating expenses confirmed by the Administrative Services Department. The clerk's office remains committed to providing the highest level of service to the bench, bar and public. To that end, we welcome suggestions toward the improvement of services.

Kenneth J. Hirz  
Clerk of Court

## Information Technology

IT department staff continued to work with the court's Automation Committee (initiated in FY2012) to implement efficiencies by automating case administration tasks and standardizing docket entries to reduce case administrator workload. The following are improvements implemented in FY2015:

- automating of case closings for discharged Chapter 13 cases
- automating docketing of event *Notice of Transfer* on pending Chapter 13 cases, and transfer of case assignment to Judge Gustafson
- combining Automatic Discharge and Automatic Closing reports for Cleveland judges, for data to be reviewed more efficiently
- automating the process (in two court locations) to close dismissed Chapter 13 cases
- automating the process (in two court locations) to generate the notice after the U.S. Trustee docketed the *Chapter 13 Meeting of Creditors*.

IT is currently working with the Automation Committee to streamline the transcript request process. When the Transcript Request event is docketed to a case, an automated form titled *Transcript Request Form* will prompt the user to fill in required information. When the event is completed, appropriate court staff will be notified of the transcript request. Court staff will then place the recording on the court's website for pickup by the transcription company. Once the transcript is ready, the transcription company will upload the file to the court's website.

IT continues to streamline processes to support chambers, including electronic orders, searchable hearing calendars, and hearing calendars that are updated every 15 minutes. Seven of our district's judges now have searchable hearing calendars on the court's website that can be searched by multiple parameters: judge's name, case number, case name, moving party, opposing party, debtor's attorney, trustee, hearing date, and case type. In the past year, 57,795 E-Orders were uploaded into the court's system for review, and 46,910 orders were electronically signed. And, our IT department helped the Florida Middle Bankruptcy Court implement the E-Orders program for use by their nine judges.

During the year the Akron and Toledo courts were migrated to the National IP Telephony (NIPT) system hosted by the AO. The NIPT is a Voice Over IP (VoIP) system that shifts voice calls to the data network. This was a joint project with District Court and results in an annual cost savings of \$18,658 because it eliminated the phone system maintenance agreement and voice circuit charges. The Youngstown location of the Bankruptcy Court is scheduled to migrate to the NIPT system in the spring of 2016.

The Administrative Office (AO) of the U.S. Courts provided the funding to install a secondary wide area network circuit in all courthouse locations this year for backup and load sharing purposes. The IT department worked with the vendor to get the circuits and new routers installed to support the secondary circuit, for our Akron, Canton, Cleveland, and Toledo courthouses. This work will be completed before the end of the calendar year for our Youngstown courthouse.

IT initiated a project last year to evaluate the capability of the Microsoft Surface Pro 3 (SP3) in our court's environment. The IT staff has successfully used the SP3 to displace multiple

devices (desktop PC, laptop PC, and tablet) that most mobile staff use. The court's PC and tablet fleet is aging rapidly, and if mobile users adopt the SP3 and don't require replacement of multiple devices, the savings can be significant. For example, for a mobile user who adopts the SP3 and doesn't require replacement of three devices comprised of a Dell desktop PC, an Apple iPad tablet, and an Apple MacBook Pro laptop, the savings is approximately \$2,813.

The project to upgrade the court's servers to the Windows Server 2012 R2 operating system was completed this year. IT is now evaluating the Windows 10 operating system for the court's desktop and laptop PCs, which are currently running Windows 7.

This year the court was able to replace: obsolete data closet network switches; obsolete multifunction copiers; all data closet uninterruptible power supplies (UPS); batteries in the UPS that supports the court's main computer room; and environmental monitoring equipment for server rooms, courtroom AV closets, and data closets.

The court's new website debuted in January, 2015. The website incorporates a national template provided by the AO, which improves the look and functionality of the website. It enables the court's content owners to post their own content to the website, which relieves IT from this duty. The new website platform enabled the court to partially automate registration duties for the 2015 Bench-Bar Retreat, and provided access to the retreat materials once an attendee paid their registration fee. The redesign of the internal website used by court employees is now in process.

One of the court's IT staff continued to participate in the AO's NextGen ECF Workspace teleconferences to provide feedback on the user interface, the Judge's Review packet module, and the Case Snapshot module. IT successfully completed a full read/write failover of the CM/ECF system to our replication server located in Ashburn, VA this year.

Members of the IT department continue to commit themselves to continuous learning and professional development. Training in the following subjects was completed by one or more IT members during the year: Mastering Google Analytics, Application Development for the Judiciary Enterprise, Top Vulnerabilities Testing, Securing Database Configurations, Network Configuration and Troubleshooting, Introduction to JavaScript/jQuery, the AO's Network Operations Center (NOC) Mentoring Program, Implementing Cisco Switch IP Networks, Photoshop Bootcamp, Introduction to the NextGen Court Developer, Managing Procurements, and Contracting Officer's Technical Representative. Additionally, three IT staff members were able to attend the NextGen CM/ECF Forum hosted by the AO, one attended the National Bankruptcy Clerks Conference, and one attended the 6<sup>th</sup> Circuit IT Conference.

Lori McLaughlin-Nelson  
Director, Information Technology

## Human Resources

### Personnel

The United States Bankruptcy Court for the Northern District of Ohio started fiscal year 2015 with a clerk's office staff of 63, coinciding with 63.2 authorized work units. FY2015 judicial staff was comprised of eight judges, 12 law clerks and four judicial assistants.

During FY2015, there were nine retirements, of which three courtroom deputy positions were filled by internal candidate promotions, and one automation specialist position was filled by external hire. There was a budget and finance supervisor position added, and one additional automation specialist position filled midyear under temporary status and converted to permanent status at the end of the fiscal year.

Human resources continued to monitor employee evaluations to ensure that they were completed timely. Managers submitted employee appraisals by the due dates, and ensured compliance with training requirements, per the court's Performance Management Plan. There were no outstanding evaluations at the end of the fiscal year. The FY15 budget allowed for discretionary step increases based on the Performance Management Plan step increase criteria of 10 hours of training and a satisfactory appraisal. All eligible employees met the criteria.

We developed a management performance appraisal tool, which provides a numerical rating system.

### Professional Development

The training needs assessment data from FY2014 was carried forward to FY2015, and the court continued adherence to its Individual Development Plan, which requires position-specific training each year. All clerk's office employees obtained the required 10 hours of training. Tuition Assistance Program (TAP) funds were set aside for training, and there were 21 TAP requests approved during the fiscal year. Training supported by TAP funds was as follows:

- Michigan State University Judicial Administration Program
- National Conference of Bankruptcy Clerks (NCBC)
- Desktop Computer Courses: Windows 10; Microsoft Excel
- Information Technology Courses: CCNA Bootcamp; Implementing Cisco Switch Networks; Adobe Photoshop Bootcamp; Intro to JavaScript Query; Mastering Google Analytics; Network Configuration and Troubleshooting
- First Aid Training: American Red Cross.

On-site training provided by the Administrative Office of the U.S. Courts that was not supported by TAP funds was:

- Retirement Seminar and Individual Counseling - Benefits Division

Staff also utilized the following resources:

- Federal Judicial Television Network (FJTN)
- Judiciary On-line University (JOU)
- Federal Judicial Center (FJC)
- Local Public Libraries

### Benefits

The Benefits Open Season for FY2015 was November 10, 2014 through December 8, 2014. Several webinars were provided by the Administrative Office of the U.S. Courts to assist employees with benefit decisions and health fairs were scheduled near each court location. Informational resources provided by the Benefits Division include the following sessions:

- Open Season Guidance for Successful Enrollment
- Healthcare Helper, Open Forum
- Benefits 2014 and Beyond Open Forum

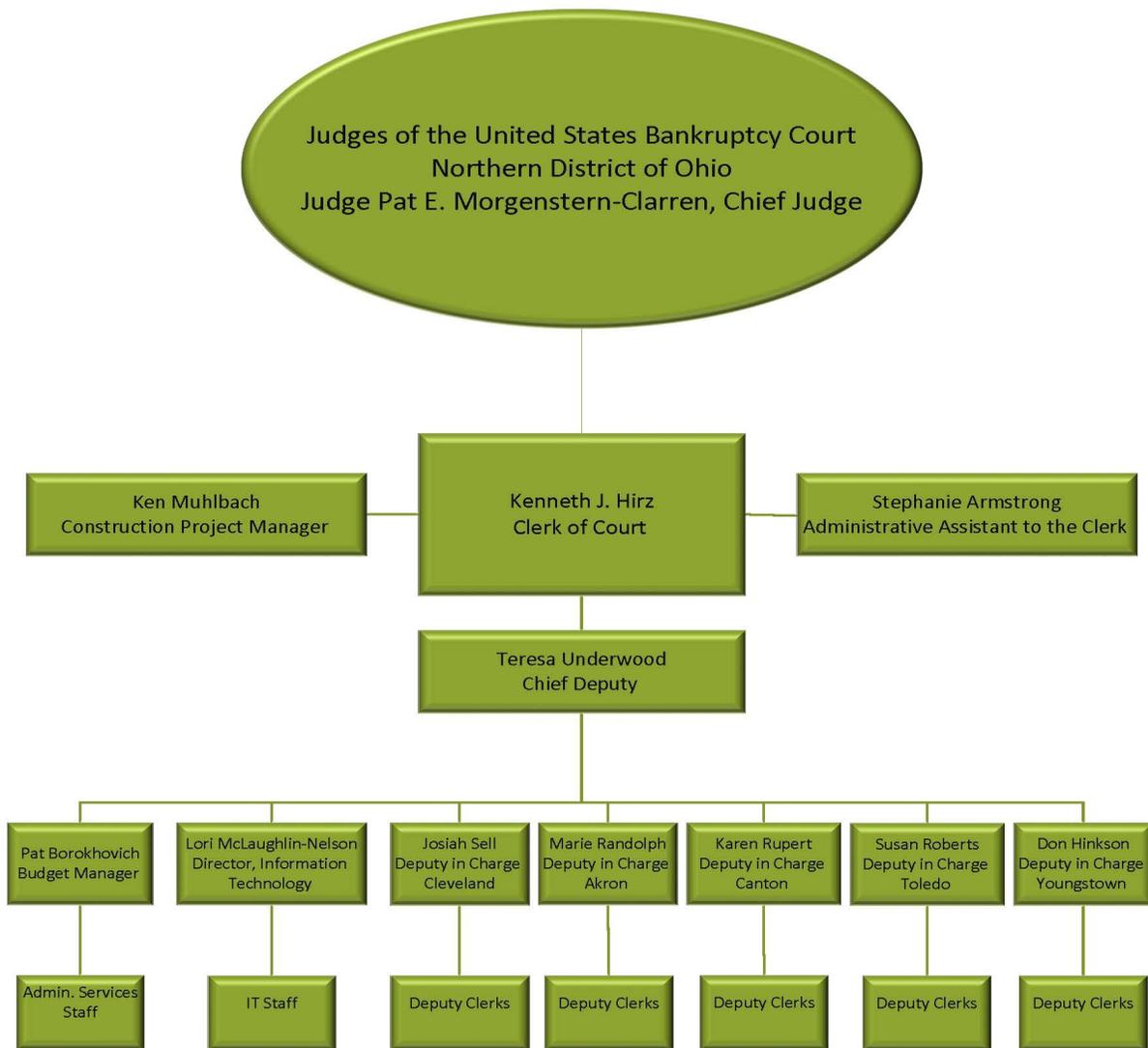
### Federal Employment Practices (FEPS)

Federal Employment Practices reporting was completed and submitted to the Office of Human Resources by the required deadline. Recruitment efforts during the fiscal year targeted a diverse pool of candidates, and a variety of recruitment resources were used for vacancy announcements, such as the court's website, the Federal Judiciary website, newspapers, university bulletins, and several on-line advertising websites. Demographic data showed a court staff comprised of 71% females and 29% males. The court provided reasonable accommodations for staff during the year, such as enlarged monitors, audio keyboarding programs and other resources.

The court continues to offer satisfactory human resources services. In collaboration with the Office of Human Resources, work processes are continually reviewed and streamlined to enhance operational efficiency.

Teresa Underwood  
Chief Deputy Clerk

# TABLE OF ORGANIZATION



## STATISTICAL ANALYSIS

A total of 19,855 cases were filed in the district in fiscal year (FY) 2015. (In this report, all references to fiscal year figures are based on the period of October 1 through September 30.) Total cases filed in FY2015 decreased by 10% compared to the prior fiscal year. The following shows the comparison of cases filed, by chapter:

	<b>FY2015</b>	<b>% of Total</b>
<b>Chapter 7</b>	16,366	82%
<b>Chapter 11</b>	37	0%
<b>Chapter 12</b>	0	0%
<b>Chapter 13</b>	3,452	17%
<b>Chapter 15</b>	0	0%
<b>Total</b>	19,855	100%

This court has five locations: Akron, Canton, Cleveland, Toledo, and Youngstown. The following shows total filings in each court location, and the percentage increase/decrease compared to the prior fiscal year:

	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
<b>Akron</b>	3,394	3,180	-6%
<b>Canton</b>	2,891	2,668	-8%
<b>Cleveland</b>	8,243	7,432	-10%
<b>Toledo</b>	4,784	4,187	-12%
<b>Youngstown</b>	2,698	2,388	-11%
<b>Total</b>	22,010	19,855	-10%

These filing figures do not include reopened cases, and are not weighted; they do not take into account the size of the cases filed. Therefore, they may not precisely represent the judicial workload in any particular court location.

The following are cases filed at each court location, by chapter:

<b>AKRON</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	2,696	2,488	-8%
Chapter 11	12	4	-67%
Chapter 12	0	0	0%
Chapter 13	686	688	0%
Chapter 15	0	0	0%

<b>CANTON</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	2,470	2,313	-6%
Chapter 11	4	4	0%
Chapter 12	0	0	0%
Chapter 13	417	351	-16%
Chapter 15	0	0	0%

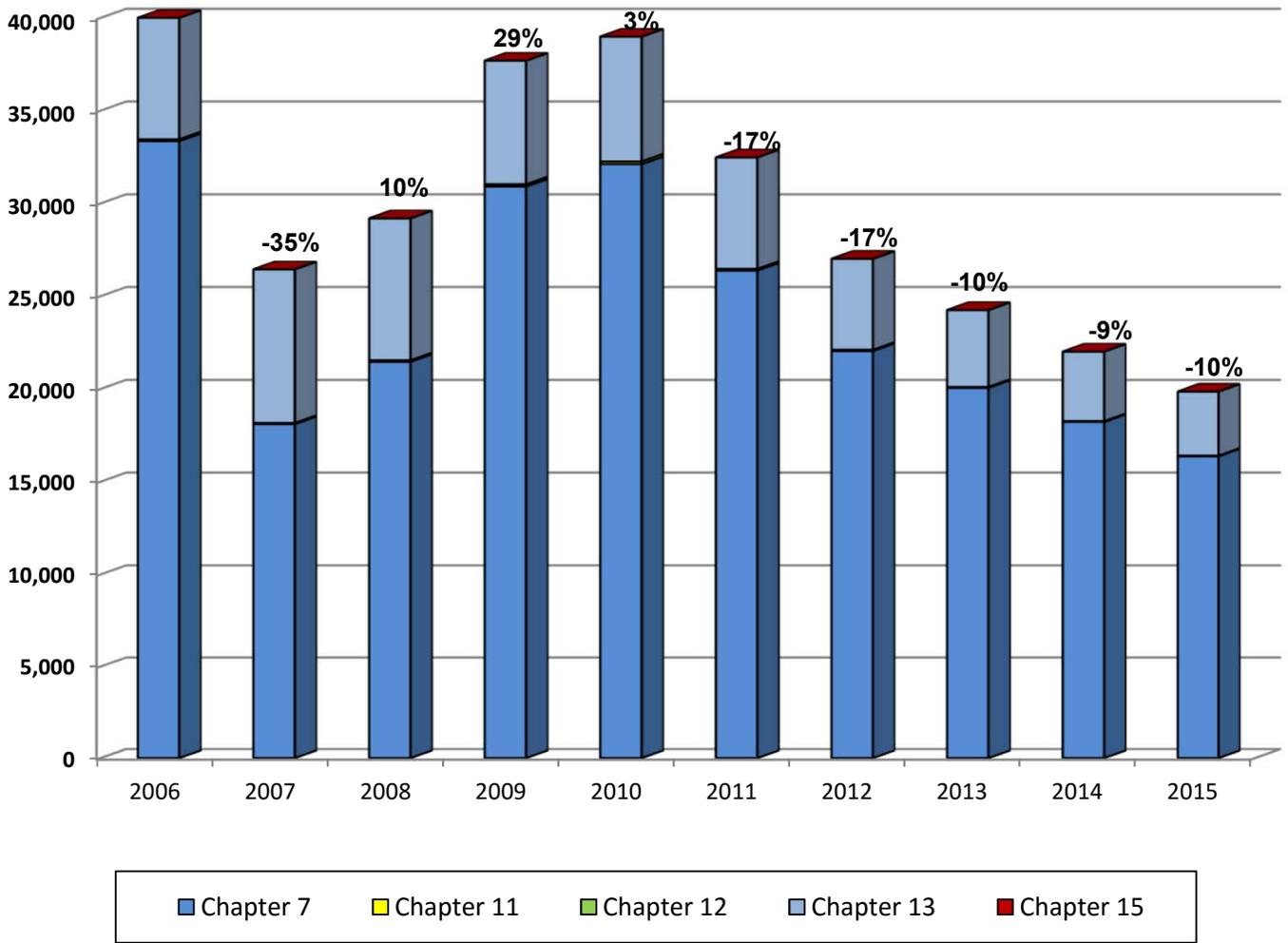
<b>CLEVELAND</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	6,514	5,900	-9%
Chapter 11	13	7	-46%
Chapter 12	0	0	0%
Chapter 13	1,715	1,525	-11%
Chapter 15	1	0	-100%

<b>TOLEDO</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	4,352	3,797	-13%
Chapter 11	9	17	89%
Chapter 12	0	0	0%
Chapter 13	422	373	-12%
Chapter 15	1	0	-100%

<b>YOUNGSTOWN</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	2,191	1,868	-15%
Chapter 11	1	5	400%
Chapter 12	0	0	0%
Chapter 13	506	515	2%
Chapter 15	0	0	0%

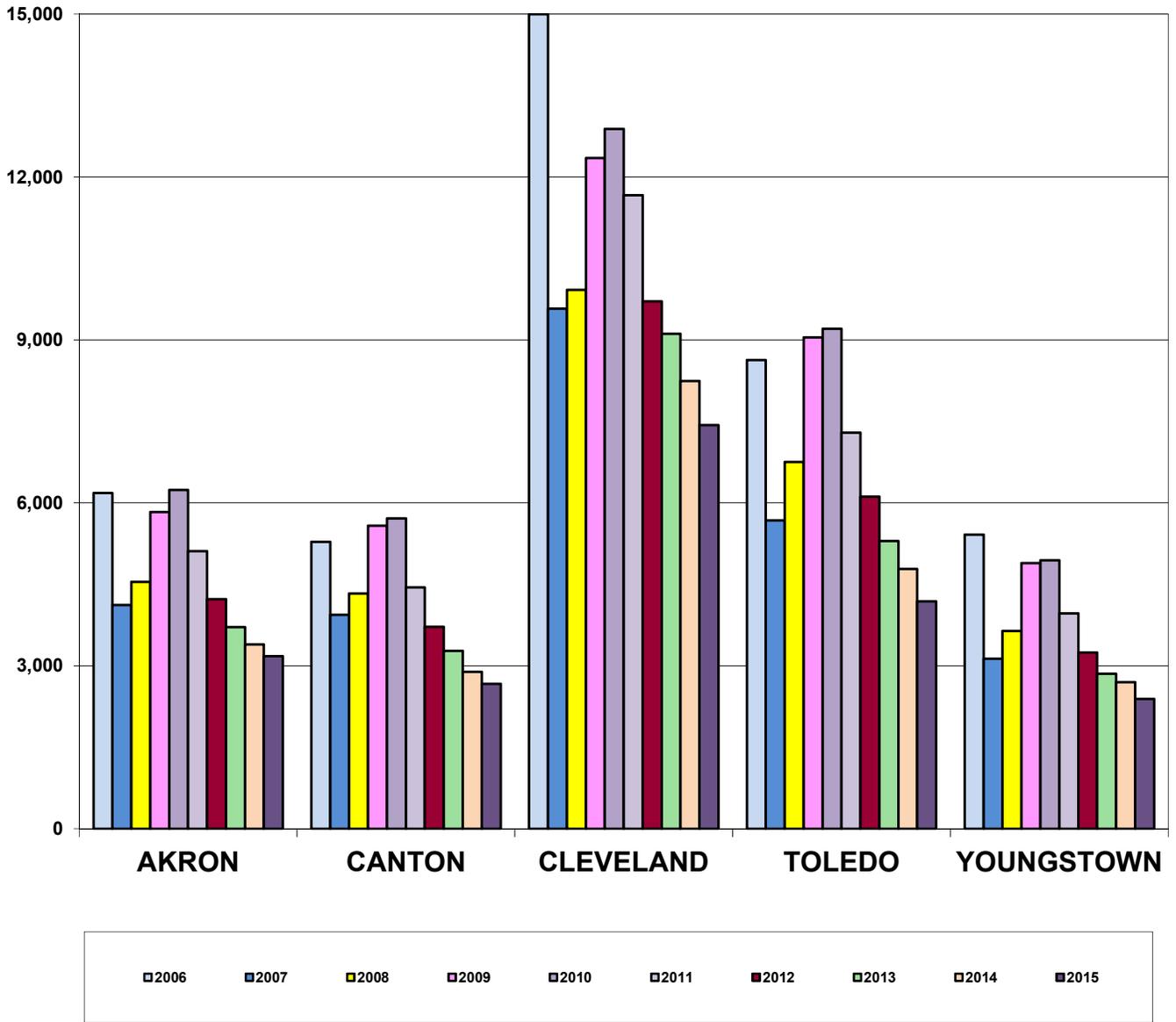
<b>DISTRICT TOTAL</b>	<b>FY2014</b>	<b>FY2015</b>	<b>% Change</b>
Chapter 7	18,223	16,366	-10%
Chapter 11	39	37	-5%
Chapter 12	0	0	0%
Chapter 13	3,746	3,452	-8%
Chapter 15	2	0	-100%

**TOTAL CASE FILINGS  
FY2006 - 2015**

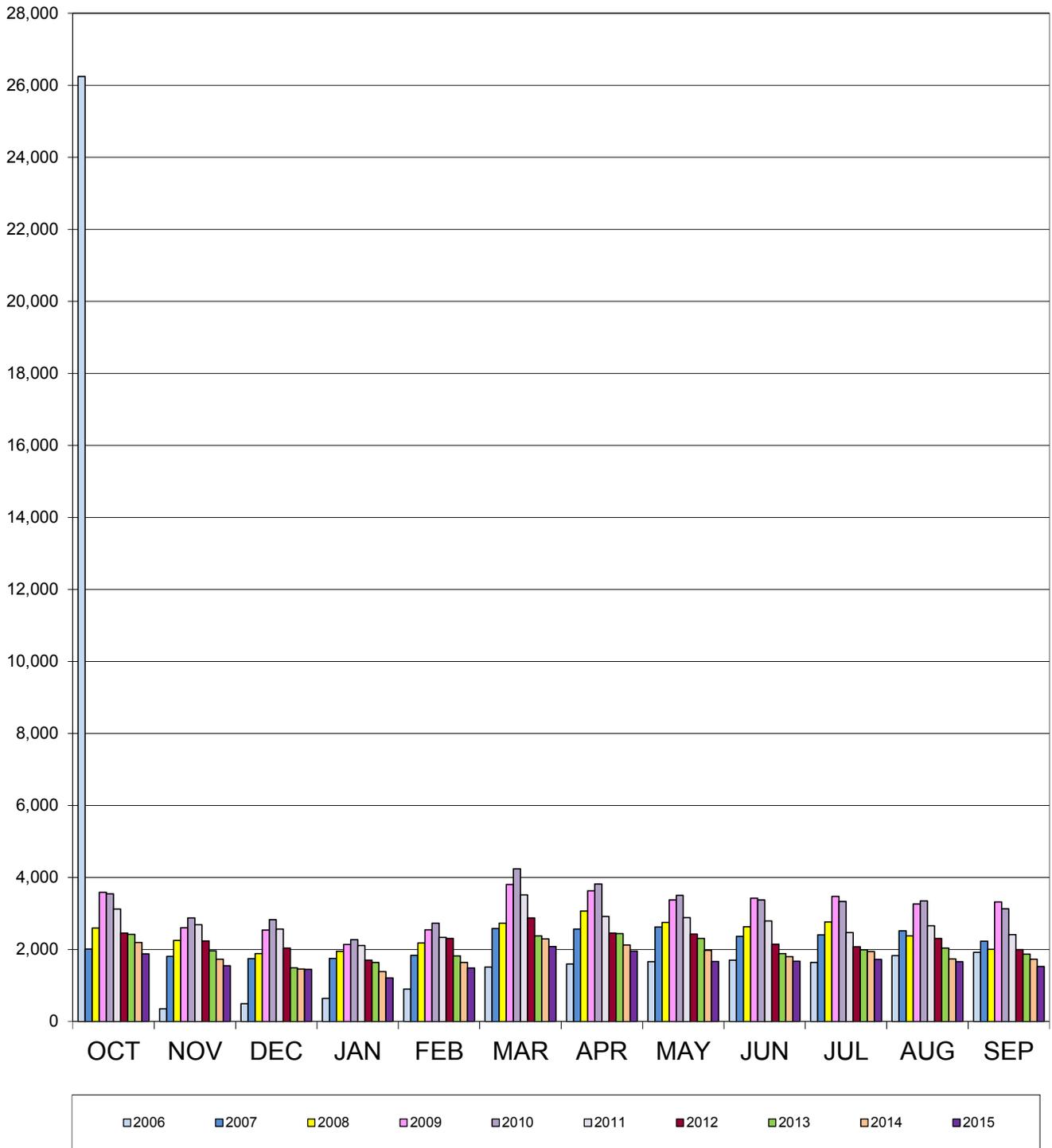


(shows % change from prior fiscal year)

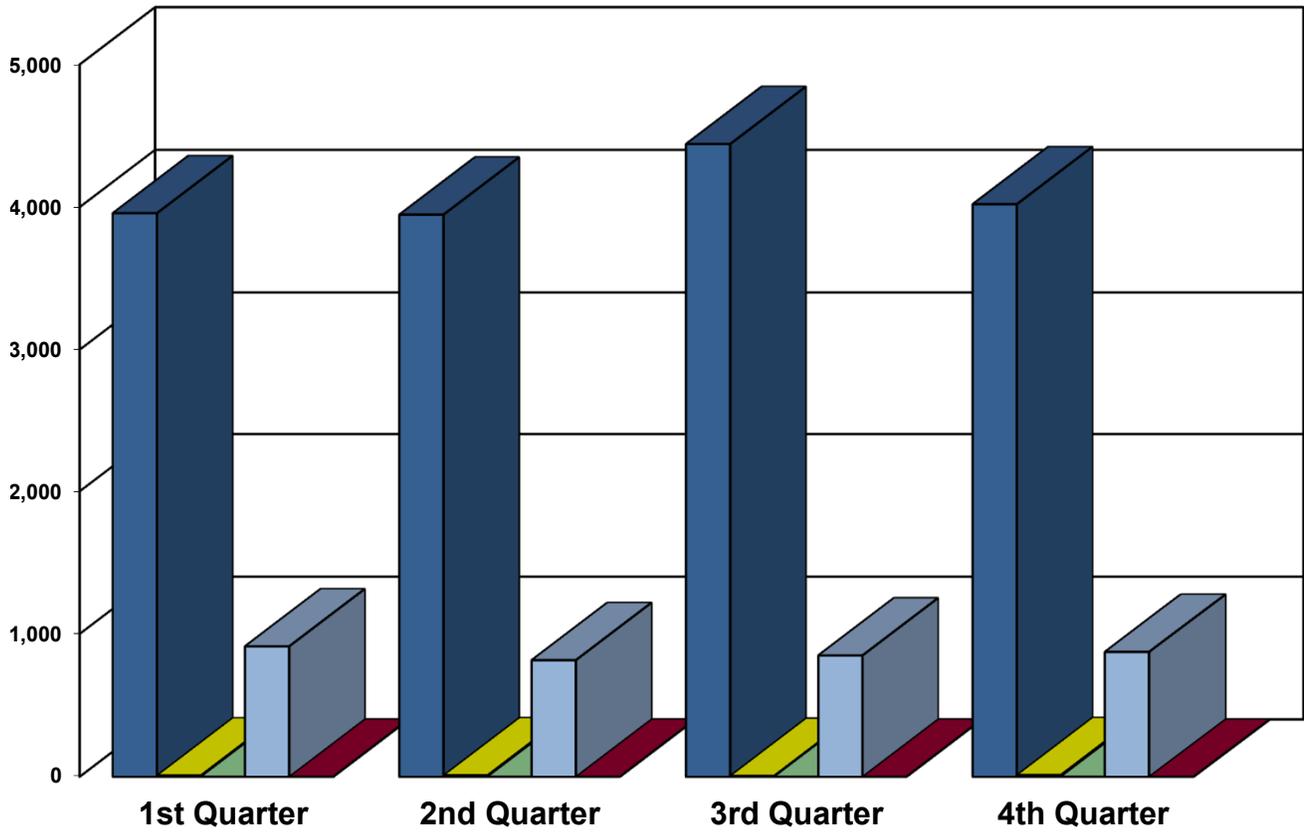
**FILINGS PER OFFICE  
FY2006 - 2015**



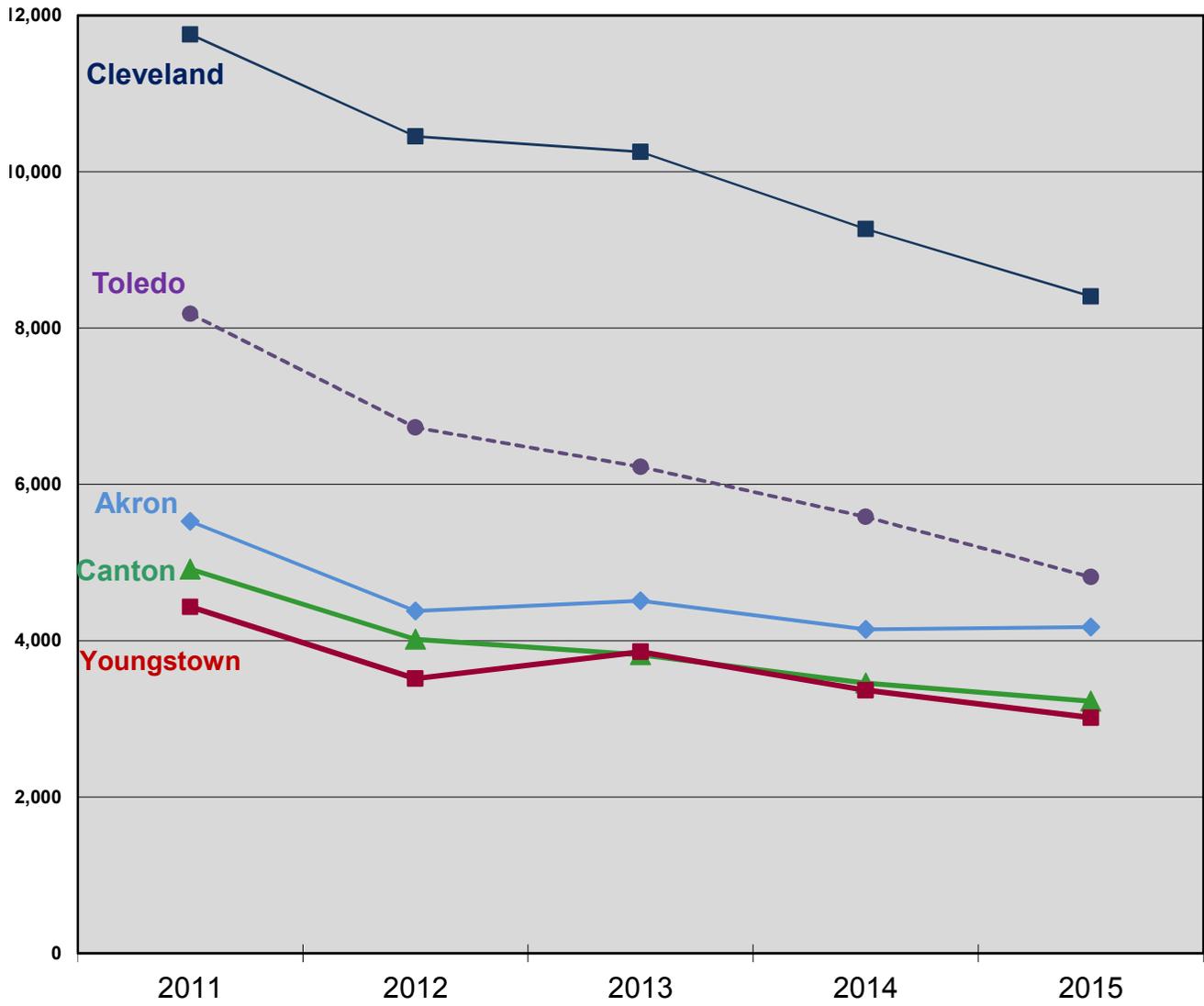
## COMPARISON OF MONTHLY FILINGS FY2006 - 2015



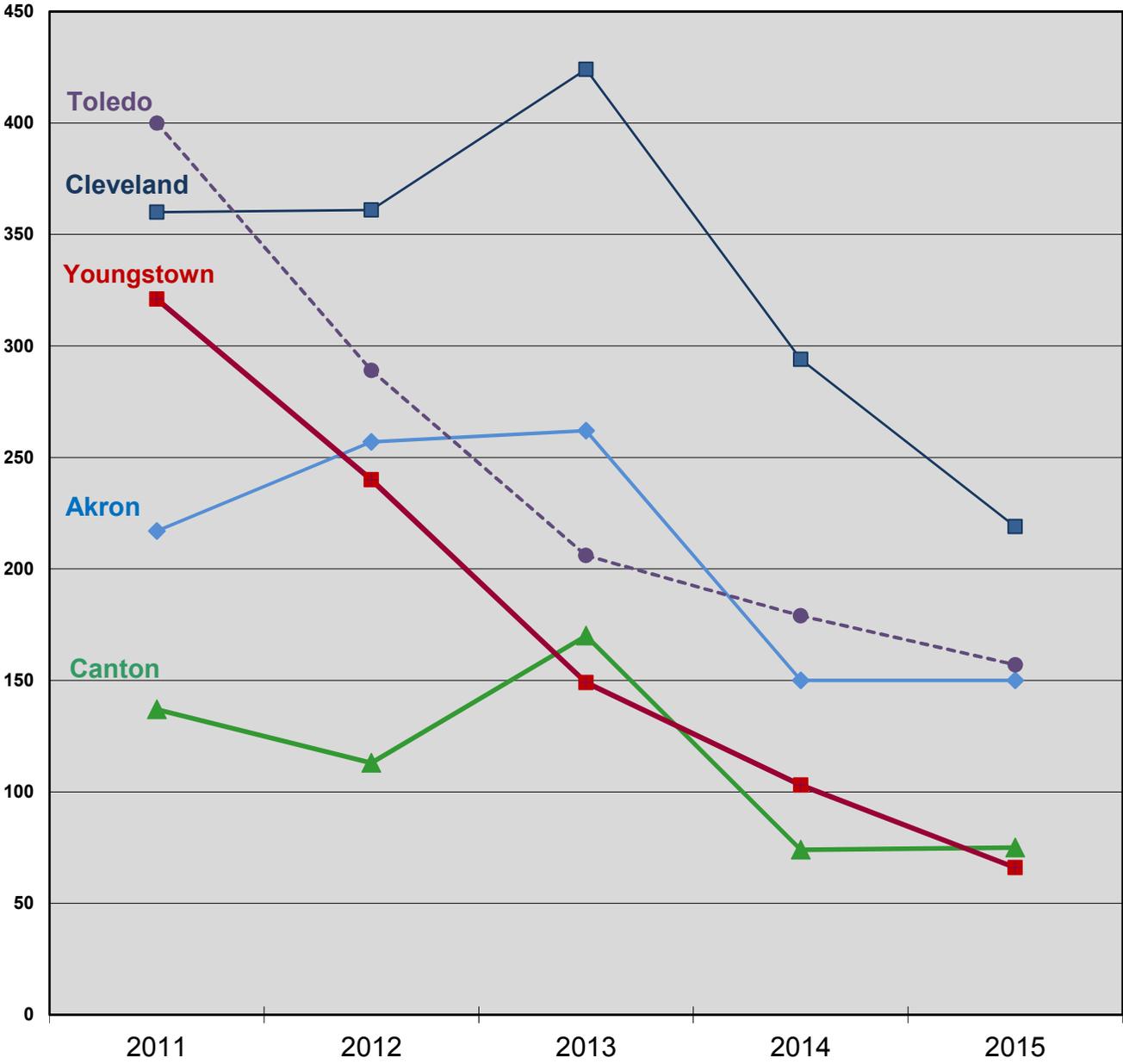
# QUARTERLY FILINGS FY2015



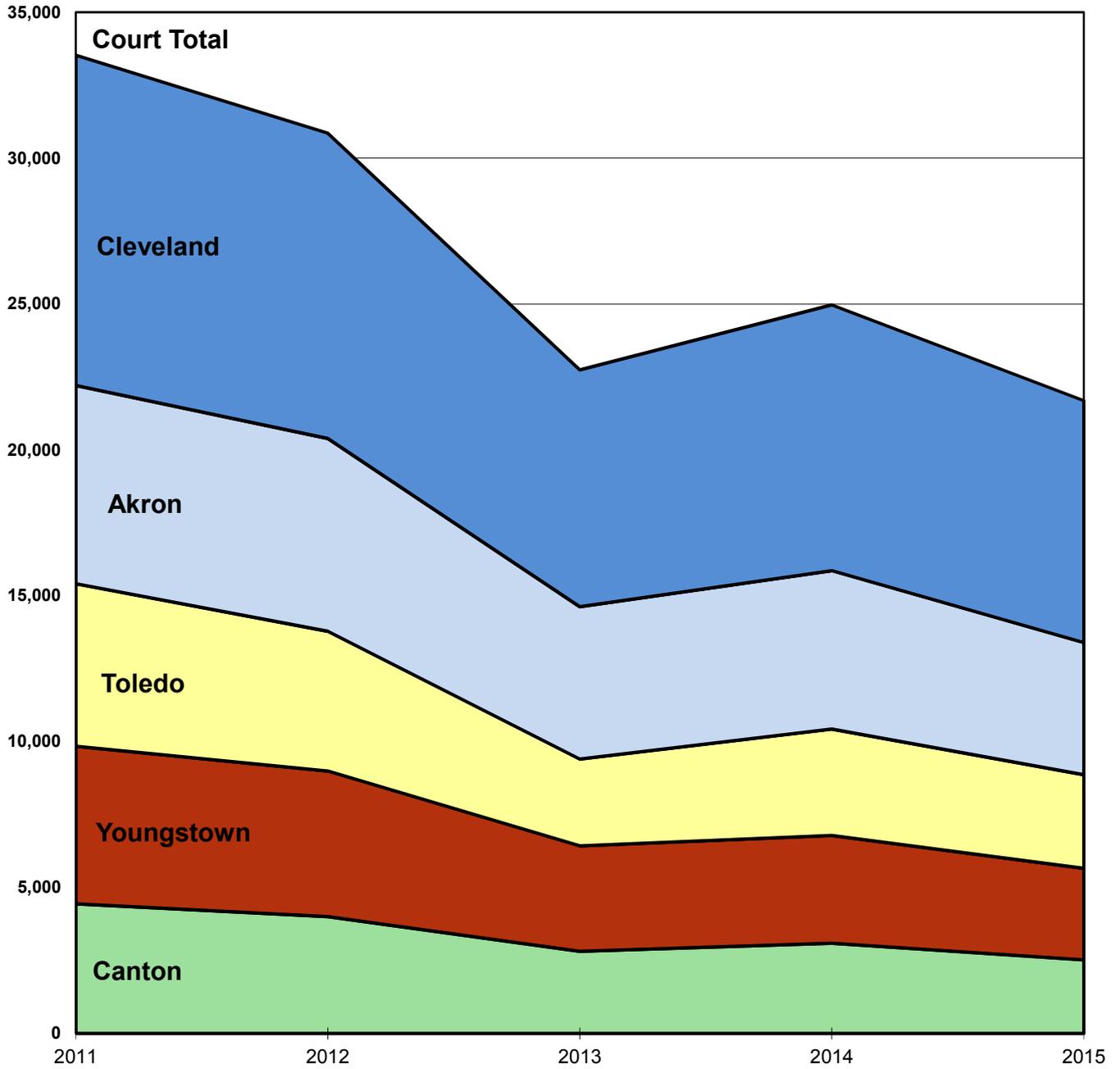
# CASE CLOSINGS FY2011 - 2015



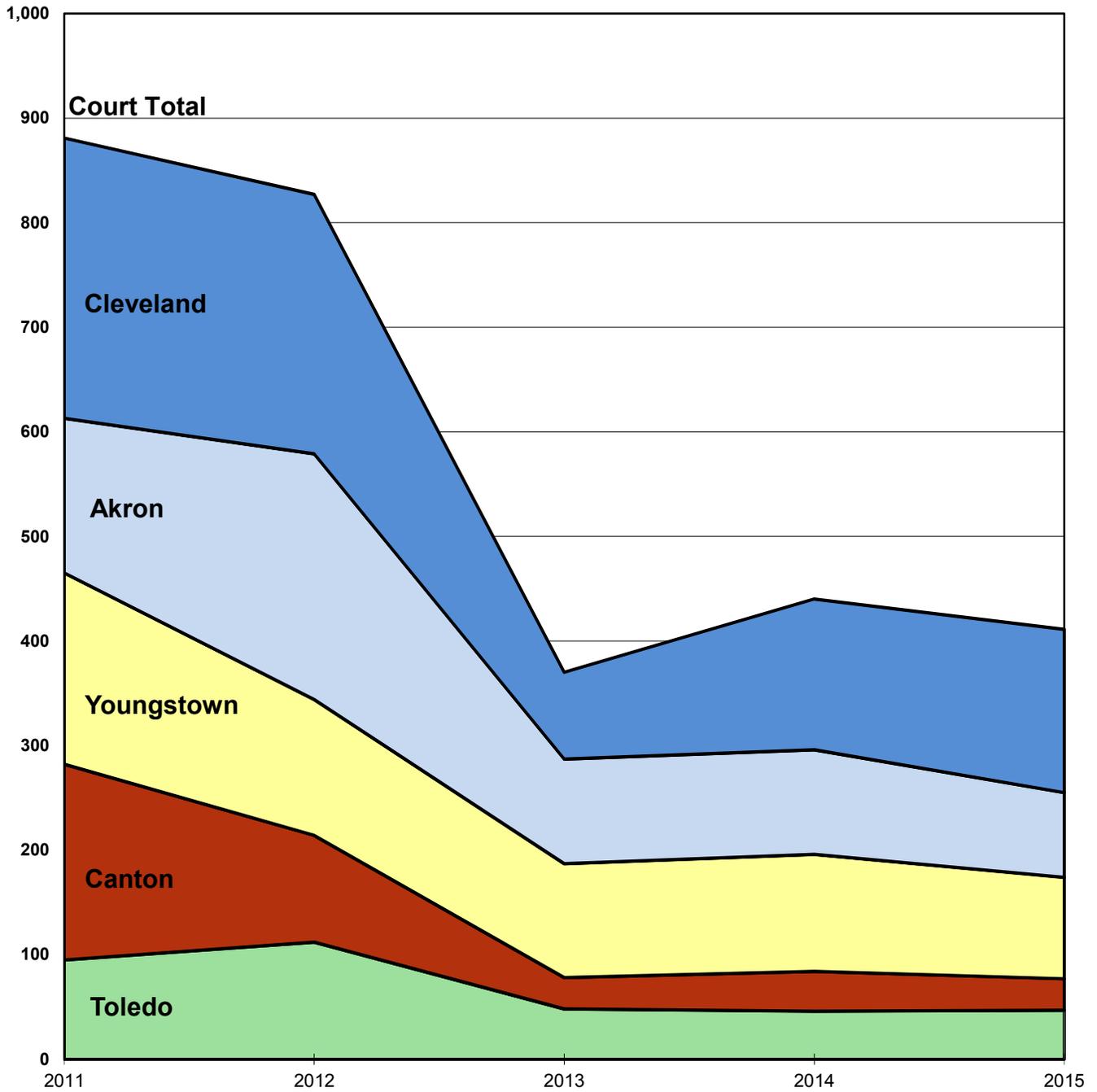
**ADVERSARY CLOSINGS  
FY2011 - 2015**



**NUMBER OF PENDING CASES  
FY2011 - 2015**



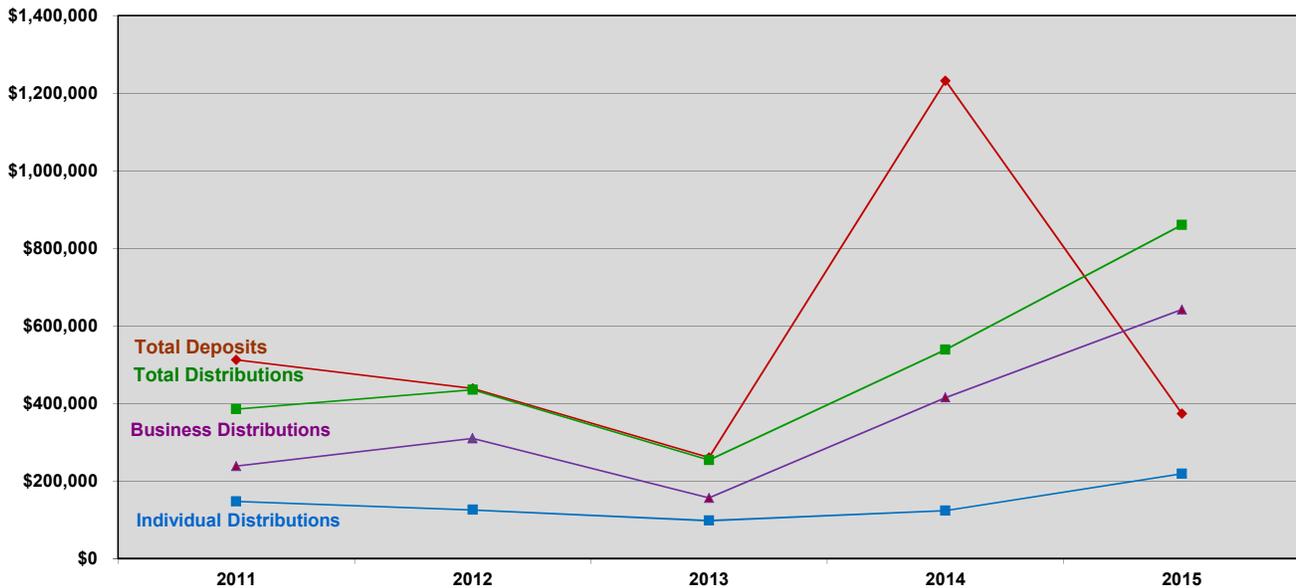
**NUMBER OF PENDING ADVERSARIES  
FY2011 - 2015**



## UNCLAIMED FUNDS

Unclaimed funds are held by the court for an owner that has failed to claim the funds, failed to negotiate a payment of the funds, or cannot be located. This includes property distributed after a settlement and unclaimed after ninety days. (In these circumstances, the court receives the funds from the trustee, after the distribution check has been returned.) Unclaimed funds may also include monies held by the court pending resolution of litigation. In FY2015, unclaimed funds were deposited with the court in the amount of \$377,065.

Unclaimed monies are typically held in the court's registry fund 6047BK or deposit fund 6855TT, until proper disposition can be determined. Unclaimed funds may be held outside the U.S. Treasury, per court order. Funds which remain unclaimed after a specified period are transferred, per judiciary policy, to fund 6133BK (amounts of \$25 or more), or to fund 106000 Forfeitures of Unclaimed Money and Property (amounts less than \$25). A claim exists in perpetuity: funds may be claimed at any time by the owner, a successor, or other petitioner proving rightful ownership. Unclaimed funds are disbursed by the court per court order. In FY2015, the court processed 245 distributions of unclaimed funds, a total amount of \$860,347.



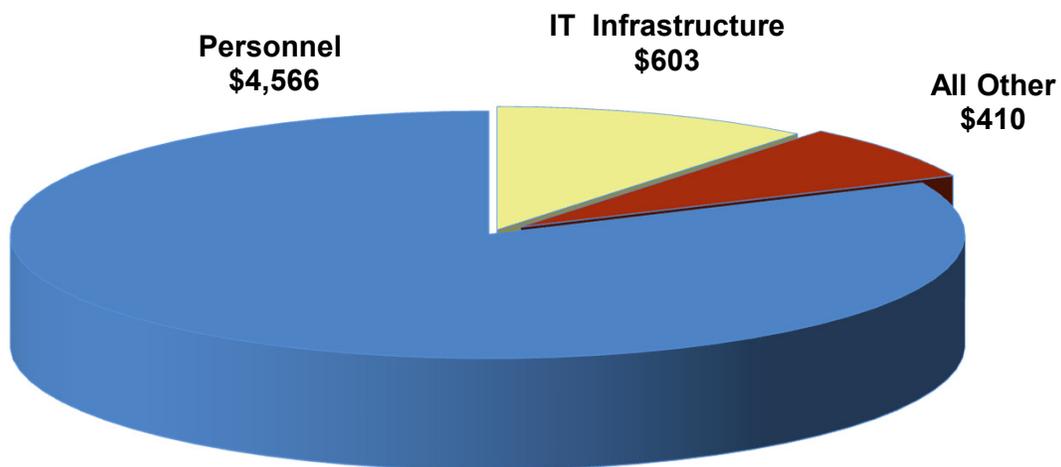
<u>Fiscal Year</u>	<u>2011</u>	<u># of Dist</u>	<u>2012</u>	<u># of Dist</u>	<u>2013</u>	<u># of Dist</u>	<u>2014</u>	<u># of Dist</u>	<u>2015</u>	<u># of Dist</u>
Total Deposits	\$512,335	NA	\$438,347	NA	\$260,624	NA	\$1,232,241	NA	\$377,065	NA
Total Distributions	\$385,301	204	\$435,251	287	\$253,972	226	\$538,945	344	\$860,347	245
Business Distributions	\$238,147	139	\$309,692	190	\$156,275	150	\$415,207	309	\$641,946	210
Individual Distributions	\$147,154	65	\$125,558	97	\$97,697	76	\$123,737	35	\$218,401	35

## RECEIPTS

The court deposits unclaimed funds and receipted fees into the U.S. Treasury. The court's receipting and deposit procedures are in accordance with judiciary standards, and use designated fund classifications. A list of these funds, their descriptions, and amounts received, are shown below. In FY2015, court receipts were in the amount of \$7,846,840.

<u>Fund</u>	<u>Fund Description</u>	<u>Amount</u>
086400	Portion of filing fee, 2005 Deficit Reduction Act	658,456.23
086500	Portion of filling fee, 2012 Temporary Bankruptcy Judgeship Extension Act	1,527.44
086900	Portion of filing fees to U.S. Treasury General Fund	624,970.97
106000	Forfeitures of Unclaimed Money and Property Fund, dividends less than \$25	524.79
109900	Miscellaneous fines, penalties and forfeitures	1,800.00
322350	Copy fees	658.50
322360	Miscellaneous fees: certifications, searches, retrieval, notices	4,375.00
5073XX	Portion of filing fees to Trustee Systems Fund and specified fees/damages	1,586,989.02
510000	Portion of filing fees to Special Fund for the Judiciary ("Judiciary Fee")	3,619,823.80
510100	Administrative charge for registry funds deposited in interest bearing accounts	0
5514CR	Printing fees for electronic records	2,345.50
6047BK	Registry fund, undistributed and unclaimed funds	374,034.06
6133BK	Unclaimed funds of \$25 or more, meeting fund requirements	2,506.25
6855BF	Clearing account, fees between transfers (such as inter-district case transfers)	60.00
6855BK	Deposit Fund in which monies are held until refunded, disbursed, or transferred	13,405.00
6855TT	Portion of filing fees held until transferred or disbursed to case trustees	<u>955,363.39</u>
TOTAL		<u><u>\$7,846,840</u></u>

**FY2015 OPERATING EXPENSES**  
(shown in \$1,000's)



In FY2015, the court's operating budget exceeded \$5.58 million. Of this, 82% was personnel expense, nearly \$4.57 million. Approximately 11% of the budget (\$603,000) was the cost to maintain the court's Information Technology (IT) infrastructure, including computer equipment in the IT network, and public access to case management data. The remaining 7% of the budget (\$410,000) includes all other operating expenses, such as designated utilities, interior building maintenance, office furnishings, and supplies.